Lessons from the Field:
Small Business Recovery Strategies After a Disaster

Maureen Collins-Williams
Founder, The Entrepreneurial Project, LLC
Entrepreneur In Residence, University of Northern Iowa
Maureen.Collins-Williams@uni.edu
319-215-2596
@McWillie
Twin Disasters in Iowa
2008

May 25, 2008

June 7, 2008
Entrepreneurship Outreach at UNI

• Small Business Development Center
• 4th Street Incubator, Waterloo IA
• Innovation Incubator, UNI Campus
• MyEntre.Net
  – Business Concierge
  – Dream Big Grow Here Contests
  – Connections and Community
  – Webinars
EF5 Tornado Rips Through Eastern Iowa

Nearly a Mile Wide-Then Grew

On The Ground For Almost 30 Minutes

Traveled More than 40 Miles
Personal and Business Casualties

- 7 Dead
- 75 injured
- 400 buildings

- 80 businesses
  - 22 Destroyed
  - 68 Damaged
Larry Luhring and his wife Marty stand at the site of their home on the south edge of Parkersburg. Larry was hit by flying debris and needed 13 staples in his head. Marty was lifted up by the tornado and was pulled back down by her husband. "It's true, the love of my life saved my life", she said
Internet Superseded the Physical
The Tent

Up in 24 Hours
Prominently Located
SBDC Staffed
12-14 Hour Days

No One Came
UNI SBDC Director Goes From Parkersburg Tornado to Flooding In Cedar Falls
Greene, June 9

Waverly, June 10
Contact with Businesses

- Email listserv
- Phone calls
- Community meetings
- Master Calendar
Webinars

• June
  – Daily Noon Webinars
  – Updates, Locations for Services

• July
  – Transitioned to Weekly Webinars
  – Business Owners Other Disasters
Pressing Need for Short Term Capital
Ideas Floated

Put Up A Small Business Contribution Website
(Pre-Crowdfunding, Remember)

Find a Grantor
...Quickly

Use Existing Budget Dollars
You Want To Do What?
What We Did Well

Created Connections
  Online
  Intimate
  Professional

Long Term TA
  SBDC Disaster
  MyEntre.Net
Best Practices

• Disaster Recovery Plans
  – Service Providers
  – Small Business

• Stages Of Recovery

• Emulate What Works
• Address Short Term Capital Needs
Our Ongoing Role

• Continue to Support and Track Affected Business Owners
  – Listserv now statewide eNewsletter (10,000 Subscribers)

• Provide 3rd Party Long Term Data on Recovery and Economic Impact of Services
  – Statewide Survey of Small Business
    • Annual
    • Track Change
Entrepreneurship Strategies for Post-Disaster Economic Recovery
What is the Role for Economic Development Organizations?

IEDC Webinar
January 28, 2014
Charles F. D’Agostino, MBA
Executive Director
Louisiana Business & Technology Center
LSU Innovation Park
The Role of Entrepreneurs in Economic Development

Entrepreneurs:
1. Create
2. Innovate
3. Employ

Successful Entrepreneurs require:
1. Good ideas
2. Knowledge of their field – must be an expert in your area
3. Good networks
4. Access to capital

High risk – high reward
The Role for Economic Development Organizations in Supporting Entrepreneurship

• Support
• Encourage
• Catalysts
• Network/Matchmaker
  – Access to Capital
  – Business Counseling
  – Mentors
  – Professionals
• Facilitate Tax Incentives and cutting bureaucratic red tape
The Role of an EDO in Business Disaster Recovery

- Sympathetic Ear
- Resource Provider – provide factual answers when rumors are flying
- Catalyst
- Researcher
- Organizer
- Quarterback
What are the critical factors in pulling resources together for the small businesses in the impacted area?

• Don’t be shy about using the sympathy card
• Pull in volunteers from organizations such as IEDC, NBIA, AURP etc
• Utilize congressional staff to pull in SBA, EDA and other federal agencies

• Contact local business assistance agencies such as:
  – SBDC
  – SCORE
  – Incubators
  – Universities
  – Chambers of Commerce
  – State Agencies
  – SBA
Timing for Recovery Programs

• **Triage**
  • Focus on surviving the shock

• **Recovery**
  • Keep it basic and focus on progressing to normalcy

• **Rebuilding**
  • Push to get economy to pre-disaster strength

• **Growth**
  • Seek to convert unintended consequences for investment
What Services are Needed?

• EDO partners with universities & government to provide:
  – Business Counseling
  – Business Planning
  – Loan Applications
  – Disaster Relief
  – Training Workshops
Offer counseling and business assistance to the businesses impacted by Hurricanes Katrina, Rita, Gustav and Ike.

• One on One Counseling
  – Go Zone – Gulf Opportunity Act
  – Business Recovery
  – Market Assessment
  – Business Plan Adjustments
  – Financial Modeling
  – Loan and Equity Assistance
  – Disaster Loan preparation and qualifications
Scaling up services and resources for long-term business recovery and support

- Work with Governor, Mayor, Legislators and Congressional Delegation
- Be a “factual” clearinghouse for information
- Be responsive
- Promote readiness and preparedness planning

Evacuation Planning
Opportunities Created by Disasters
Seize the opportunities created by disasters

• Entrepreneurship opportunities
  – Demolition, waste removal, construction, mold abatement, etc

• New business formation
  – Prime contractors
  – Subcontractors

• New Businesses to replace those that will not reopen for one reason or another
REBUILDING = OPPORTUNITY

CONSTRUCTION
BUILDING SUPPLIES
TELECOMMUNICATIONS/
INFORMATION TECHNOLOGY
ENERGY
TRANSPORTATION
Catering to Disaster Workers
Retail and Services
Federal Money follow Disasters
Case Studies: Hurricanes

• Katrina 2005
• Rita 2005
• Gustav 2009
• Ike 2009
  – LBTC established a disaster business recovery center in 2005 that remains open today
    • Focus – Recovery
    • Focus - Preparedness
Case Studies: Oil Spills

• Different type of disaster and impact
  – Loss of tourism
  – Loss of fisheries
  – Coastal and environmental problems

• Different Solutions
  – Cleanup
  – Alternate markets
  – Reinventing the business
Case Studies: Earthquakes - International

• Different Issues:
  – Italy a very poor country
  – No private insurance
  – Governmental control in recovery and scheduling repairs
  – 2009 Earthquake damage still not fully repaired in 2013
The LBTC Model

- Business Incubation
- LSU LSBDC
- Disaster Business Counseling
- Entrepreneurial Training
- Technology Transfer Assistance
- Access to Capital
Mobile Classroom - Incubator on Wheels
Bring Services to the Entrepreneur

- Education in 20+ Rural Parishes annually
- Sponsors: Louisiana Municipal Association, Louisiana Economic Development & Louisiana Public Facilities Authority
- Training and counseling in rural and hurricane / disaster impacted areas for Small & Emerging Businesses
- Mobile Classroom featured on CNBC and BBC as well as local TV
Mobile Classroom Locations Visited since 2006

- 173 locations
- 3398 Attendees
- 120 Business Start-ups
- 344 Jobs Retained
- 578 Jobs Created
- Program brings LSU to the rural, underserved parts of the state.
- Request a visit to your community
Mobile Classroom
Driving Louisiana’s Economy

Houma

Vidalia

Morgan City

Rayne
Lessons Learned

• Most organizations were not prepared for long-term outages.
• Anticipate disruptions in communications services, possibly of extended periods of time.
• Critical staff may not be able to reach their assigned recovery locations.
• Employees are key to success and most will take care of families before business.
• People are essential to recovery operations.
• Replacement supplies may be difficult to obtain during the protracted recovery period.
• Financial institutions may be incapacitated causing a shortage of cash and credit. Be prepared to operate in a “cash only” environment.
• The involvement of financial institutions is critical to recovery.
• The location of off-site back-up sites is critical to recovery.
• Disaster drills should include all functional areas and employees.
Lesson 2 – Preparedness
(earthquakes have no “season”)

• Have an alternate worksite identified and available
• Have a pre-disaster agreement with a building owner outside of the area that can be a command post or temporary business facility and employee housing.
• Make sure all business licenses, insurance and legal documents are secured and apply to alternate site.
• Have a supply chain plan including shipping issues.
• Have a continuity business plan including contacting customers, suppliers and employees.
• Utilities may be out long term, ensure on-site capability for safe shut down and essential data retrieval
• Back up all vital records.
Preparedness and Resiliency Plans

• LSU Stephenson Disaster Management Institute

• What are the risks? How will a disaster impact my business? My employees? My customers? My suppliers? My family?
• What is the evacuation plan for getting out of harms way?
• How do I secure my facility?
• How do I move equipment, inventory, and other assets to safety?
• Where will I move assets in event of evacuation?
• Am I adequately insured? Business interruption insurance?
Questions?

• Charles F. D’Agostino
  – Executive Director
    Louisiana Business &
    Technology Center
  – Executive Director, LSU
    Innovation Park
  – Interim Director, LSU
    Stephenson
    Entrepreneurship
    Institute
  – cdag@LSU.edu
  – 225-578-7555